

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <b>Southfield Township</b>	County <b>Oakland</b>
Audit Date <b>3/31/06</b>	Opinion Date <b>5/16/06</b>	Date Accountant Report Submitted to State:	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

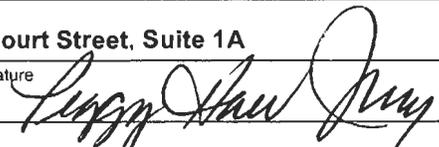
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- Yes  No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- Yes  No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- Yes  No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- Yes  No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- Yes  No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- Yes  No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- Yes  No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- Yes  No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- Yes  No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>Plante &amp; Moran, PLLC</b>			
Street Address <b>111 East Court Street, Suite 1A</b>	City <b>Flint</b>	State <b>MI</b>	ZIP <b>48502</b>
Accountant Signature 		Date <b>8/15/06</b>	

**Financial Report**  
**Southfield Township**  
**Oakland County, Michigan**  
**March 31, 2006**  
*with Independent Auditors' Report*

**Southfield Township  
Annual Financial Report  
For the Fiscal Year Ended March 31, 2006**

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**Southfield Township  
Annual Financial Report  
For the Fiscal Year Ended March 31, 2006**

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## **Introductory Section**

**Southfield Township  
List of Elected Officials  
March 31, 2006**

SUPERVISOR

Raymond Mills

CLERK

Sharon Tischler

TREASURER

Joanne McCleary

TRUSTEES

Janet Mooney  
I. Jack Fahlen  
Phillip Schmitt  
Robert Walsh

## **Financial Section**

*Independent Auditor's Report*

Members of the Township Board  
Southfield Township  
Oakland County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Southfield Township, Michigan (Township) as of March 31, 2006, and for the year then ended, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. The prior year summarized comparative information has been derived from the Township's 2005 financial statements. The financial statements of Southfield Township as of March 31, 2005 were audited by BKR Dupuis & Ryden, whose report dated May 18, 2005 expressed an unqualified opinion on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. BKR Dupuis & Ryden subsequently merged into Plante & Moran, PLLC.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph, present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Southfield Township, as of March 31, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended March 31, 2005, from which such summarized information was derived.

The management's discussion and analysis and the budgetary comparison schedules as identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Plante & Moran PLLC*

May 16, 2006

## **Management's Discussion and Analysis**

## Management's Discussion and Analysis

As management of Southfield Township, we offer readers of Southfield Township's financial statements this narrative overview and analysis of the financial activities of Southfield Township for the fiscal year ended March 31, 2006.

### Financial Highlights

- The assets of Southfield Township exceeded its liabilities at the close of the most recent fiscal year by \$1,495,630 (net assets).
- Of this amount, \$1,097,192 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Township has net assets available to be spent on future capital purchases and improvements of \$50,934, \$53,240 for future MESC claims, and \$45,300 for Metro Act expenditures.
- The government's total net assets increased by \$162,860.

### Using this Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The Fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as trustee or agent for the benefit of those outside of the government.

### Governmental Activities

The following table shows in a condensed format, the current year net assets and changes in net assets compared to the prior year:

	<u>2006</u>	<u>2005</u>
Current and other assets	\$1,263,062	\$1,165,024
Capital assets	248,874	186,791
Total assets	<u>1,511,936</u>	<u>1,351,815</u>
Current liabilities	<u>16,306</u>	<u>19,045</u>
Net assets:		
Invested in capital assets	248,874	186,791
Restricted	149,564	130,454
Unrestricted	<u>1,097,192</u>	<u>1,015,525</u>
Total net assets	<u>\$1,495,630</u>	<u>\$1,332,770</u>

**Governmental Activities – (continued)**

	<u>2006</u>	<u>2005</u>
Revenues:		
Program revenues:		
Charges for services	\$ 49,789	\$ 44,846
Capital grants and contributions	68,756	-
General revenues:		
Property taxes	575,462	543,501
Interest	50,641	22,341
State shared revenue	1,816	1,831
Other	-	3,493
Total revenues	<u>746,464</u>	<u>616,012</u>
Expenses:		
General government	<u>583,604</u>	<u>592,176</u>
Increase in net assets	162,860	23,836
Net assets – beginning of year	<u>1,332,770</u>	<u>1,308,934</u>
Net assets – end of year	<u>\$1,495,630</u>	<u>\$1,332,770</u>

The governmental net assets increased 12 percent from a year ago – increase from \$1,332,770 to \$1,495,630. In contrast, last year’s net assets increased by only 2 percent.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations – increased by \$103,125 for the governmental activities. This represents an increase of approximately 10 percent. The current level of unrestricted net assets for our governmental activities stands at \$1,097,192, or about 188 percent of expenditures.

The Township’s total governmental revenues increased by approximately \$130,452. The increase, which represents 21 percent, is primarily due to an equipment grant for election equipment of \$68,756, increase in interest earnings, and increase in tax revenues.

Expenses decreased by \$8,572 during the year.

A portion of Southfield Township’s net assets \$248,874 (17%) reflects its investment in capital assets (land, building, and machinery and equipment). The Township uses these assets to provide services to citizens; consequently, they are not available for future spending.

An additional portion of Southfield Township’s net assets \$128,106 (8%) represents resources that are subject to internal restrictions on how they may be used. The remaining balance of unrestricted net assets, \$1,097,192 (75% of net assets), may be used to meet the government’s ongoing obligations to citizens and creditors. At the end of the current fiscal year, Southfield Township reports positive balances in all three categories of net assets, for the government as a whole, and for its separate governmental activities. The same situation held true for the prior fiscal year. The governmental activities’ net assets increased by \$162,860 during the current fiscal year.

**The Township’s Funds**

**Governmental funds.** The focus of Southfield Township’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Southfield Township’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

## **Governmental Funds – (continued)**

The general fund is the chief operating fund of Southfield Township. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,067,692, while total fund balance for all governmental funds equaled \$1,246,756.

### **General Fund Budgetary Highlights**

General Fund expenditures totaled \$639,576, approximately \$4,000 over the final budget. (The original budget was amended during the year.) All elections were over budget as a result of election equipment contributed by the State of Michigan with a value of \$68,756.

General Fund revenues were approximately \$149,000 over budget due to increased property tax values, state equipment grants, and interest earned.

### **Capital Assets and Debt Administration**

**Capital assets.** Southfield Township's investment in capital assets for its governmental activities as of March 31, 2006 amounts to \$248,874 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and machinery and equipment. Additional information on Southfield Township's capital assets can be found in note IV.C on page 23 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

**Economic Factors.** The unemployment rate for Oakland County is currently 6.2%, which is consistent with a year ago. The current state average unemployment rate is 6.8% (March 2006). Nationwide, the national average rate is 4.4% (March 2006).

The total assessed and taxable value of property at March 31, 2006 and 2005 in Southfield Township was \$1,010,154,090 and \$962,051,050 respectively.

Southfield Township has timely adopted a budget for the fiscal year ending March 31, 2007.

### **Requests for Information**

This financial report is designed to provide a general overview of Southfield Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the clerk, Southfield Township, 18550 West 13 Mile Road, Southfield, Michigan 48025-5262.

# **Basic Financial Statements**

# **Government-wide Financial Statements**

**Southfield Township  
Statement of Net Assets  
March 31, 2006**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and equivalents	\$ 194,516
Investments	1,038,999
Receivables:	
Taxes	4,009
Due from other governments	25,538
Capital assets (net of accumulated depreciation)	248,874
Total assets	1,511,936
<b>Liabilities</b>	
Accounts payable	9,511
Accrued liabilities	6,795
Total liabilities	16,306
<b>Net Assets</b>	
Invested in capital assets	248,874
Restricted for:	
Metro act	45,390
Capital improvement	50,934
MESC	53,240
Unrestricted	1,097,192
Total net assets	\$ 1,495,630

*The notes to financial statements are an integral part of this statement.*

**Southfield Township  
Statement of Activities  
Year Ended March 31, 2006**

	Program revenues			Net (Expense ) Revenue and Changes in Net Assets
	Charges for Services	Capital Grant and Contributions	Governmental Activities	
Expenses				
<b>Functions\Programs</b>				
<b>Primary government</b>				
Governmental activities:				
General government	\$ 583,604	\$ 49,789	\$ 68,756	\$ (465,059)
Total governmental activities	583,604	49,789	68,756	(465,059)
General revenues:				
Property taxes				575,462
State shared revenue				1,816
Interest				50,641
Total general revenues				627,919
Change in net assets				162,860
Net assets - Beginning of year				1,332,770
<b>Net assets - End of year</b>				\$ 1,495,630

*The notes to financial statements are an integral part of this statement.*

## **Fund Financial Statements**

**Southfield Township  
Balance Sheet  
Governmental Funds  
March 31, 2006  
With Comparative Totals for March 31, 2005**

	General	Other Governmental Funds	Total Governmental Funds	
			2006	2005
<b>Assets</b>				
Cash and cash equivalents	\$ 141,276	\$ 53,240	\$ 194,516	\$ 94,300
Investments	988,070	50,929	1,038,999	1,054,327
Receivable - taxes	4,004	5	4,009	-
Due from other governments	25,538	-	25,538	26,397
Total assets	\$ 1,158,888	\$ 104,174	\$ 1,263,062	\$ 1,175,024
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 9,511	\$ -	\$ 9,511	\$ 13,037
Accrued liabilities	6,795	-	6,795	6,008
Total liabilities	16,306	-	16,306	19,045
<b>Fund balances:</b>				
Reserved for:				
Metro Act	45,390	-	45,390	23,932
MESC distribution	-	53,240	53,240	52,459
Capital improvements	-	32,690	32,690	31,594
Capital purchases	-	18,244	18,244	22,469
Unreserved:				
Designated for subsequent year's expenditures	29,500	-	29,500	-
Undesignated	1,067,692	-	1,067,692	1,015,525
Total fund balances	1,142,582	104,174	1,246,756	1,145,979
Total liabilities and fund balances	\$ 1,158,888	\$ 104,174	\$ 1,263,062	\$ 1,165,024

*The notes to financial statements are an integral part of this statement.*

**Southfield Township  
Reconciliation of the Fund Balance as Reported in the  
Governmental Balance Sheet to the Statement of Net Assets  
Year Ended March 31, 2006**

Total Governmental Funds fund balance as reported in the Balance Sheet Governmental Funds	\$ 1,246,756
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>248,874</u>
Net assets - governmental activities	<u><u>\$ 1,495,630</u></u>

*The notes to financial statements are an integral part of this statement.*

**Southfield Township**  
**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended March 31, 2006**  
**With Comparative Totals for March 31, 2005**

	General	Other Governmental Funds	Total Governmental Funds	
			2006	2005
<b>Revenues:</b>				
Taxes	\$ 575,462	\$ -	\$ 575,462	\$ 543,501
Licenses and permits	5,358	-	5,358	5,492
Intergovernmental:				
State	70,572	-	70,572	1,831
Charges for services	39,041	-	39,041	39,353
Interest	47,648	2,993	50,641	22,341
Miscellaneous	5,390	-	5,390	3,493
<b>Total revenues</b>	<b>743,471</b>	<b>2,993</b>	<b>746,464</b>	<b>616,011</b>
<b>Expenditures:</b>				
Current:				
General government:				
Township Board	10,927	-	10,927	10,208
Supervisor	25,996	-	25,996	25,829
Elections	79,131	-	79,131	32,140
Assessor	109,756	-	109,756	111,496
Clerk	148,698	-	148,698	132,810
Treasurer	148,199	-	148,199	152,140
Township hall and grounds	18,774	-	18,774	20,162
Animal control	79,378	-	79,378	72,888
Other	18,717	1,111	19,828	18,788
Capital outlay	-	5,000	5,000	-
<b>Total expenditures</b>	<b>639,576</b>	<b>6,111</b>	<b>645,687</b>	<b>576,461</b>
Excess (deficiency) of revenues over expenditures	103,895	(3,118)	100,777	39,550
<b>Other financing sources (uses):</b>				
Transfers in	-	770	770	19,770
Transfers out	(770)	-	(770)	(19,770)
<b>Total other financing sources (uses)</b>	<b>(770)</b>	<b>770</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	103,125	(2,348)	100,777	39,550
Fund balance at beginning of year	1,039,457	106,522	1,145,979	1,106,429
<b>Fund balance at end of year</b>	<b>\$ 1,142,582</b>	<b>\$ 104,174</b>	<b>\$ 1,246,756</b>	<b>\$ 1,145,979</b>

*The notes to financial statements are an integral part of this statement.*

**Southfield Township  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of Governmental Funds  
 To the Statement of Activities  
 Year Ended March 31, 2006**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	100,777
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period		62,083
Change in net asset of governmental activities	\$	162,860

*The notes to financial statements are an integral part of this statement.*

**Southfield Township  
Statement of Net Assets  
Fiduciary Funds  
March 31, 2006  
With Comparative Totals for March 31, 2005**

	<b>Pension Trust Fund</b>	
	<b>2006</b>	<b>2005</b>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 346,704
Investments	230,348	189,051
Taxes receivable	-	5,040
Due from other governments	-	86,369
Total assets	230,348	627,164
 <b>Liabilities</b>		
Due to other funds	\$ -	\$ 437,156
Undistributed taxes	-	957
Total liabilities	-	438,113
 <b>Net Assets</b>		
Net Assets held in trust for pension benefits	\$ 230,348	\$ 189,051

*The notes to financial statements are an integral part of this statement.*

**Southfield Township  
Statements of Changes  
In Plan Assets  
Pension Trust Fund  
Years Ended March 31, 2006 and 2005**

	2006	2005
<b>Additions:</b>		
Employer contributions	\$ 15,684	\$ 14,973
Investment income	28,453	10,288
Total additions	44,137	25,261
<b>Deductions:</b>		
Trustee fees	2,840	2,425
Pension withdrawals	-	24,286
Net increase (decrease)	41,297	(1,450)
Net assets held in trust for pension benefits at beginning of the year	189,051	190,501
<b>Net assets held in trust for pension benefits at end of year</b>	<b>\$ 230,348</b>	<b>\$ 189,051</b>

*The notes to financial statements are an integral part of this statement.*

## **Notes to Financial Statements**

**Southfield Township**  
**Notes to Financial Statements**  
**March 31, 2006**

**I. Summary of significant accounting policies**

The accounting policies of Southfield Township (Township) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Southfield Township.

**A. Reporting entity:**

Southfield Township is located in Oakland County and operates under an elected form of government. The accounting policies of Southfield Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Southfield Township does not have any component units.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The Township has no component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct* expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The major individual governmental fund is reported as a separate column in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Southfield Township**  
**Notes to Financial Statements**  
**March 31, 2006**

**I. Summary of significant accounting policies – (continued)**

**C. Measurement focus, basis of accounting, and financial statement presentation – (continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the government reports the following fund types:

Pension Trust fund account for the activities to pay retirement benefits for Township retirees. This fund accumulates resources for pension benefits financed by employer contributions.

Agency Fund accounts for assets held by the Township as an agent for other funds and other governments.

Pension Trusts and Agency funds are reported as fiduciary funds and are not included in the government wide Statement of Net Assets and Statement of Activities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and interest income.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Township Board will decide which source of funds to utilize.

**Southfield Township**  
**Notes to Financial Statements**  
**March 31, 2006**

**I. Summary of significant accounting policies – (continued)**

**C. Measurement focus, basis of accounting, and financial statement presentation – (continued)**

The Township levies property taxes on December 1 each year. These taxes become liens on the property at that date. Township taxes are collected without penalty from December 1 through February 14 each year. Taxes are also collected for other entities (i.e., school districts) from July 1 through September 14, without penalty. The delinquent real property taxes of the Township are purchased by the County of Oakland. The delinquent personal property taxes of the Township are turned over to County of Oakland for collections and upon settlement, the county reimburses the Township. All real property taxes assessed, and personal property taxes collected, have been recognized as revenue for the current year. Uncollected personal property taxes have been shown as taxes receivable and deferred revenue.

The 2005 taxable valuation of the Township totaled \$1,010,154,090 on which taxes levied consisted of .55 mills for operating purposes. This resulted in \$555,229 for operating. This amount is recognized in the general fund as tax revenue.

**D. Assets, liabilities, and net assets or equity**

1. Deposits

The Township's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

Investments are stated at fair value. Certificates of deposit with a maturity date of greater than three months at time of purchase are recorded as investments on the financial statements.

3. Receivables and payables

In general, outstanding balance between funds is reported as "due to/from other funds".

No allowance exists as management believes all receivables to be collectible.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., drains and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In accordance with accounting principles generally accepted in the United States of America, recorded infrastructure assets include only those acquired beginning with the fiscal year ended March 31, 2004. Prior to the implementation of GASB No. 34, records on these assets were not maintained. The Township is not required to retroactively determine costs and accumulated depreciation for infrastructure assets acquired prior to April 1, 2003 and record those assets on the financial statements.

**Southfield Township  
Notes to Financial Statements  
March 31, 2006**

**I. Summary of significant accounting policies – (continued)**

**D. Assets, liabilities, and net assets or equity – (continued)**

4. Capital assets – (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	39
Building improvement	15-30
Office equipment	5
Computer equipment	3-10

5. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

6. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**II. Reconciliation of government-wide and fund financial statements**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between *fund balance -total governmental funds* and *net assets -governmental activities* as reported in the government-wide statement of net assets.

Capital assets	<u>\$248,874</u>
Net adjustment to increase <i>fund balance -total governmental funds</i> to arrive at <i>net assets -governmental activities</i>	<u>\$248,874</u>

**Southfield Township  
Notes to Financial Statements  
March 31, 2006**

**II. Reconciliation of government-wide and fund financial statements – (continued)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances -total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated use-full lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay		\$ 77,643
Depreciation expense		<u>(15,560)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>		<u>\$ 62,083</u>

**III. Stewardship, compliance, and accountability**

**Budgetary information**

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Supervisor submits to the Township Board a proposed operating budget at a public hearing in February for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them for the General Fund and Special Revenue Fund.
2. Public hearings are conducted at the Township Hall to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted on a departmental basis through passage of a resolution and in accordance with Public Act 621 of the State of Michigan.
4. The Supervisor is authorized to transfer budgeted amounts within departmental appropriation accounts. However, any revisions that alter the total expenditures of any department must be approved by the Township Board.
5. Formal budgetary integration is employed as a management-control device during the year for all budgetary funds. Also, all budgets are adopted on a basis consistent with generally accepted accounting principles.
6. Budget appropriations lapse at year end.
7. The original budget was amended during the year.

Excess of expenditures over appropriations

The following department incurred expenditures in excess of appropriations:

	<u>Final Budget</u>	<u>Actual</u>	<u>Actual Over Amended Budget</u>
General government:			
Elections	<u>\$ 21,000</u>	<u>\$ 79,131</u>	<u>\$ 58,131</u>

**Southfield Township  
Notes to Financial Statements  
March 31, 2006**

**IV. Detailed notes on all funds**

**A. Deposits and investments**

Michigan Compiled Laws section 129.91 (Public Act 20 of 1943, as amended), authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivision, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The pension trust fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate ( if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations and certain other specified investment vehicles.

The Township has designated eight banks for the deposit of its funds. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above. Southfield Township's deposits and investment policies are in accordance with statutory authority.

The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial credit risk of investments:

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township does not have a policy for custodial credit risk. At year end, \$852,990 of investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

**B. Receivables**

Receivables as of year end for the Township's individual major fund and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental activities and fiduciary funds:

	<u>General</u>
Receivables:	
Taxes	\$ 4,009
Less: allowance for uncollectibles	-
Net total receivables	\$ 4,009

**Southfield Township**  
**Notes to Financial Statements**  
**March 31, 2006**

**IV. Detailed notes on all funds – (continued)**

**C. Capital assets**

Capital asset activity for the year ended March 31, 2006 was as follows:

**Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,350	\$ -	\$ -	\$ 6,350
Total capital assets, not being depreciated	<u>6,350</u>	<u>-</u>	<u>-</u>	<u>6,350</u>
Capital assets, being depreciated:				
Buildings	285,148	-	-	285,148
Improvements other than buildings	4,407	-	-	4,407
Machinery and equipment	196,320	77,643	77,389	196,574
Total capital assets being depreciated	<u>485,875</u>	<u>77,643</u>	<u>77,389</u>	<u>486,129</u>
Less accumulated depreciation for:				
Buildings	111,520	7,249	-	118,769
Improvements other than buildings	4,407	-	-	4,407
Machinery and equipment	189,507	8,311	77,389	120,429
Total accumulated depreciation	<u>305,434</u>	<u>15,560</u>	<u>77,389</u>	<u>243,605</u>
Total capital assets, being depreciated, net	<u>180,441</u>	<u>62,083</u>	<u>-</u>	<u>242,524</u>
Governmental activities capital assets, net	<u>\$186,791</u>	<u>\$ 62,083</u>	<u>\$ -0-</u>	<u>\$248,874</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	<u>\$ 15,560</u>

**D. Transfers**

Interfund transfers reported in the fund statements are comprised of the following:

	<u>Transfer In</u>
	Nonmajor
	<u>Governmental</u>
Transfer out:	
General Fund	<u>\$ 770</u>
Total transfers out	<u>\$ 770</u>

Transfers between funds were primarily for operating purposes.

**Southfield Township**  
**Notes to Financial Statements**  
**March 31, 2006**

**V. Other information**

**A. Deferred compensation**

The Township offers its employees one of two Deferred Compensation Plans in accordance with Internal Revenue Code Section 457. The plans, available to substantially all Township employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseen emergency.

The Township's plan administrators, ICMA and ING, hold the assets of the plans within trusts. As a result, the plans assets are not reflected on the financial statements since the Township has no fiduciary or administrative responsibility for these plans.

**B. Retirement plans and other post-employment benefits**

Retirement plan:

The Township provides pension benefits for all of its full-time employees, all permanent and part-time employees working 1,000 hours or more a year, through the Manufacturer's Life Insurance Company/John Hancock Life Insurance. The Township's pension plan is a defined contribution plan whereby benefits received upon termination or retirement depend solely on amounts contributed to the plan plus investment earnings. The Township is required to contribute a fixed percentage (10%) of gross wages of the participants to the plan once they have been employed for 90 days.

The Township's contribution to the plan for the year was \$15,683. The total contributions currently administered by the Manufacturers Life Insurance Company/John Hancock Life Insurance are \$230,348. The current year covered payroll was \$156,844, and the Township's total payroll amounted to \$215,248.

Post employment benefits:

All eligible elected officials, full-time and permanent part-time employees who have retired and are eligible to obtain Medicare and have the equivalent of 12 years (23,400 hours) full-time service shall be provided with post employment benefits in the form of health care and dental benefits. Post-employment benefits are not provided if the employee is covered by insurance from some other source. The positions of Supervisor and Trustee shall be excluded from coverage.

These benefits are provided by contractual agreement and are paid by the General Fund. The Township funds these costs on a pay-as-you-go basis. The amounts are recorded as an expenditure when the fund liability is incurred. The benefit amounts incurred totaled \$1,104 during the year ended March 31, 2006. The total number of eligible retirees amounted to 2 individuals at March 31, 2006. By contractual agreements, the Township pays 100% of these costs. There are no provisions for employee contributions.

Upcoming reporting change:

The Governmental Accounting Standards Board has recently released Statement Number 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions). The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ended March 31, 2008.

**Southfield Township**  
**Notes to Financial Statements**  
**March 31, 2006**

**V. Other information – (continued)**

**C. Commitments**

The Township entered into a two-year contract with Oakland County Equalization Division for annual assessment of real and personal property through the 2006 tax year as required by laws of the State of Michigan. The Township will pay the County the sum of \$14.28 per year for a real property description and \$12.04 per year for a personal property description rendered during the life of the contract. Payment for each year of the contract is due by July 1 of the tax year. If the amounts under the contract are not paid, the County is entitled to reduce, set-off, and permanently retain any amount due from the Township from the delinquent tax revolving fund pay-out.

The Township has committed to pay a portion of the expenditures for parking lot improvements to be done in fiscal year ending March 31, 2007. The maximum share of the expenditures for the Township is \$19,000.

**D. Risk management**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries. The Township has purchased commercial insurance for coverage of all claims except employee unemployment benefits. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. The Township pays unemployment claims on a reimbursement basis and has set money aside to pay these claims in the MESC Special Revenue Fund. At March 31, 2006, one employee had drawn on MESC.

## **Required Supplementary Information**

**Southfield Township**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - General Fund**  
**Year Ended March 31, 2006**

	<b>General Fund</b>			
	<b>Budget</b>		<b>Actual</b>	<b>Variance- with Amended Budget</b>
	<b>Original</b>	<b>Amended</b>		
<b>Revenues:</b>				
Taxes	\$ 544,000	\$ 544,000	\$ 575,462	\$ 31,462
Licenses and permits	5,100	5,100	5,358	258
Intergovernmental:				
State-shared revenues (grants)	1,000	1,000	70,572	69,572
Charges for services	29,000	29,000	39,041	10,041
Interest	15,000	15,000	47,648	32,648
Miscellaneous	800	800	5,390	4,590
<b>Total revenues</b>	<b>594,900</b>	<b>594,900</b>	<b>743,471</b>	<b>148,571</b>
<b>Expenditures:</b>				
Current:				
General government:				
Township Board	11,500	11,500	10,927	573
Supervisor	27,610	29,610	25,996	3,614
Election	21,000	21,000	79,131	(58,131)
Assessor	115,550	115,550	109,756	5,794
Clerk	153,600	153,600	148,698	4,902
Treasurer	173,600	173,600	148,199	25,401
Township hall and grounds	23,500	23,500	18,774	4,726
Animal control	81,000	83,000	79,378	3,622
Other	27,500	23,500	18,717	4,783
<b>Total expenditures</b>	<b>634,860</b>	<b>634,860</b>	<b>639,576</b>	<b>(4,716)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(39,960)</b>	<b>(39,960)</b>	<b>103,895</b>	<b>143,855</b>
<b>Other financing uses:</b>				
Transfers out	(770)	(770)	(770)	-
<b>Excess (deficiency) of revenues over expenditures and other uses</b>	<b>(40,730)</b>	<b>(40,730)</b>	<b>103,125</b>	<b>143,855</b>
Fund balance at beginning of year	1,039,457	1,039,457	1,039,457	-
<b>Fund balance at end of year</b>	<b>\$ 998,727</b>	<b>\$ 998,727</b>	<b>\$ 1,142,582</b>	<b>\$ 143,855</b>

# **Combining Fund Statements**

**Southfield Township**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**March 31, 2006**  
**With Comparative Totals for March 31, 2005**

	MESC Distribution	Capital Improvement	Capital Purchase	T o t a l s	
				2006	2005
<b>Assets</b>					
Cash and cash equivalents	\$ 53,240	\$ -	\$ -	\$ 53,240	\$ 52,459
Investments	-	32,685	18,244	50,929	54,058
Tax receivable	-	5	-	5	5
	\$ 53,240	\$ 32,690	\$ 18,244	\$ 104,174	\$ 106,522
<b>Fund Balance</b>					
Unreserved	\$ 53,240	32,690	18,244	\$ 104,174	\$ 106,522

**Southfield Township**  
**Combining Statement of Revenues, Expenditures**  
**And Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended March 31, 2006**  
**With Comparative Totals for March 31, 2005**

	Special Revenue			T o t a l s	
	MESC Distribution	Capital Improvement	Capital Purchase	2006	2005
<b>Revenue:</b>					
Interest	\$ 1,122	\$ 1,096	\$ 775	\$ 2,993	\$ 788
<b>Expenditures:</b>					
General government	1,111	-	-	1,111	-
Capital outlay	-	-	5,000	5,000	-
Total expenses	1,111	-	5,000	6,111	-
Excess (deficiency) of revenues over expenditures	11	1,096	(4,225)	(3,118)	788
Other financing sources - Transfers in	770	-	-	770	19,770
Excess (deficiency) of revenues and other sources over expenditures	781	1,096	(4,225)	(2,348)	20,558
Fund balance beginning of year	52,459	31,594	22,469	106,522	85,964
<b>Fund balance end of year</b>	<b>\$ 53,240</b>	<b>\$ 32,690</b>	<b>\$ 18,244</b>	<b>\$ 104,174</b>	<b>\$ 106,522</b>

**Southfield Township  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance  
Budget and Actual - MESC Distribution Fund  
Year Ended March 31, 2006**

	<b>MESC Distribution</b>			
	<b>Budget</b>			<b>Variance- with Amended Budget</b>
	<b>Original</b>	<b>Amended</b>	<b>Actual</b>	
<b>Revenues:</b>				
Interest	\$ 300	\$ 300	\$ 1,122	\$ 822
<b>Expenditures:</b>				
General government	1,070	1,070	1,111	(41)
Excess (deficiency) of revenues over expenditures	(770)	(770)	11	781
<b>Other financing sources:</b>				
Transfers in	770	770	770	-
Excess of revenues and other sources over expenditures	-	-	781	781
Fund balance at beginning of year	52,459	52,459	52,459	-
<b>Fund balance at end of year</b>	<b>\$ 52,459</b>	<b>\$ 52,459</b>	<b>\$ 53,240</b>	<b>\$ 781</b>

**Southfield Township  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance  
Budget and Actual - Capital Improvement Fund  
Year Ended March 31, 2006**

	<b>Capital Improvement</b>			
	<b>Budget</b>		<b>Actual</b>	<b>Variance- with Amended Budget</b>
	<b>Original</b>	<b>Amended</b>		
<b>Revenues:</b>				
Interest	\$ 150	\$ 150	\$ 1,096	\$ 946
<b>Expenditures:</b>				
Capital outlay	19,150	19,150	-	19,150
Excess (deficiency) of revenues over expenditures	(19,000)	(19,000)	1,096	20,096
Fund balance at beginning of year	31,594	31,594	31,594	-
<b>Fund balance at end of year</b>	<b>\$ 12,594</b>	<b>\$ 12,594</b>	<b>\$ 32,690</b>	<b>\$ 20,096</b>

**Southfield Township  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance  
Budget and Actual - Capital Purchase Fund  
Year Ended March 31, 2006**

	<b>Capital Purchase</b>			
	<b>Budget</b>		<b>Actual</b>	<b>Variance- with Amended Budget</b>
	<b>Original</b>	<b>Amended</b>		
<b>Revenues:</b>				
Interest	\$ 200	\$ 200	\$ 775	\$ 575
<b>Expenditures:</b>				
Capital outlay	200	5,200	5,000	200
Excess (deficiency) of revenues over expenditures	-	(5,000)	(4,225)	775
Fund balance at beginning of year	22,469	22,469	22,469	-
<b>Fund balance at end of year</b>	<b>\$ 22,469</b>	<b>\$ 17,469</b>	<b>\$ 18,244</b>	<b>\$ 775</b>

**Southfield Township  
Schedule of Departmental Expenditures  
And Operating Transfers Out  
General Fund  
Year Ended March 31, 2006  
With Comparative Totals For March 31, 2005**

	<b>Township Board</b>	<b>Supervisor</b>	<b>Elections</b>
Personnel services	\$ 2,789	\$ 22,747	\$ -
Overtime	-	-	-
Social Security	155	1,799	-
Hospitalization	-	-	-
Life and disability insurance	743	106	-
Retirement contribution	-	-	-
Longevity	-	-	-
Supplies	-	239	3,263
Audit	-	-	-
Telephone	-	351	-
Legal notices	898	-	-
Data processing	-	-	-
Miscellaneous	824	341	3,926
Insurance - other and reimbursements	-	-	-
Transportation	-	13	-
Custodian	-	-	75
Utilities	-	-	-
Micro filming	-	-	-
Repairs and maintenance	-	-	-
Heat	-	-	-
Purchases - building, vehicles and equipment	-	-	69,173
Veterinary services	-	-	-
Legal	-	-	-
Dues and memberships	5,518	60	-
Education	-	75	-
Postage	-	-	2,694
Board of review meals	-	265	-
Maintenance agreement	-	-	-
Tax appeals	-	-	-
Dog license notices	-	-	-
Property assessing and reappraisal	-	-	-
Metro Authority expense	-	-	-
Animal control contract services	-	-	-
Operating transfers out	-	-	-
	<b>\$ 10,927</b>	<b>\$ 25,996</b>	<b>\$ 79,131</b>

Assessor	Clerk	Treasurer	Building and Grounds	Animal Control	Capital Outlay and Other
\$ -	\$ 93,264	\$ 93,080	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	7,625	6,901	-	-	-
-	23,563	19,282	-	-	-
-	1,181	1,013	-	-	-
-	9,325	6,358	-	-	-
-	2,200	1,100	-	-	-
-	1,536	2,748	-	-	-
-	2,800	2,800	-	-	-
-	1,405	2,251	-	-	-
217	116	152	-	-	-
-	-	369	-	-	-
-	208	3,244	-	45	-
-	-	-	-	-	10,581
-	951	937	-	-	-
-	-	-	3,660	-	-
-	-	-	4,504	-	-
-	-	-	-	-	-
-	-	-	5,292	-	-
-	-	-	853	-	-
-	731	2,244	-	-	4,968
-	-	-	-	1,650	-
4,400	-	-	-	-	2,348
-	316	382	-	-	-
-	2,477	1,913	-	-	-
2,977	1,000	3,425	-	921	-
-	-	-	-	-	-
-	-	-	4,465	-	-
2,789	-	-	-	-	-
-	-	-	-	1,042	-
99,373	-	-	-	-	-
-	-	-	-	-	820
-	-	-	-	75,720	-
-	257	513	-	-	-
\$ 109,756	\$ 148,955	\$ 148,712	\$ 18,774	\$ 79,378	\$ 18,717

(continued)

**Southfield Township**  
**Schedule of Departmental Expenditures (continued)**  
**And Operating Transfers Out**  
**General Fund**  
**Year Ended March 31, 2006**  
**With Comparative Totals For March 31, 2005**

	<b>Totals</b>	
	<b>2006</b>	<b>2005</b>
Personnel services	\$ 211,880	\$ 229,868
Overtime	-	1,723
Social Security	16,480	16,734
Hospitalization	42,845	29,170
Life and disability insurance	3,043	2,793
Retirement contribution	15,683	14,640
Longevity	3,300	2,100
Supplies	7,786	10,753
Audit	5,600	8,786
Telephone	4,007	3,502
Legal notices	1,383	2,266
Data processing	369	1,211
Miscellaneous	8,588	2,503
Insurance - other and reimbursements	10,581	11,869
Transportation	1,901	1,188
Custodian	3,735	4,913
Utilities	4,504	3,683
Micro filming	-	103
Repairs and maintenance	5,292	6,697
Heat	853	612
Purchases - building, vehicles and equipment	77,116	15,299
Veterinary services	1,650	1,781
Legal	6,748	6,038
Dues and memberships	6,276	5,926
Education	4,465	1,528
Postage	11,017	11,676
Board of review meals	265	417
Maintenance agreement	4,465	5,516
Tax appeals	2,789	1,630
Dog license notices	1,042	929
Property assessing and reappraisal	99,373	99,743
Metro Authority expense	820	1,714
Animal control contract services	75,720	69,150
Operating transfers out	770	19,770
	<b>\$ 640,346</b>	<b>\$ 596,231</b>